

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

► **Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.**

► **See separate instructions.**

2004

For calendar year 2004, or tax year beginning , 2004, and ending , 20

A Effective date of S election	Use the IRS label. Otherwise, print or type.	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 12 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see page 12 of instructions) \$

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return**G** Enter number of shareholders in the corporation at end of the tax year ►**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See page 12 of the instructions for more information.

Income	1a Gross receipts or sales	b Less returns and allowances	c Bal ►	1c
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c			3
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4
	5 Other income (loss) (attach schedule)			5
	6 Total income (loss). Add lines 3 through 5. ►			6
Deductions (see page 13 of the instructions for limitations)	7 Compensation of officers			7
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9
	10 Bad debts			10
	11 Rents			11
	12 Taxes and licenses			12
	13 Interest			13
	14a Depreciation (attach Form 4562)	14a		
	b Depreciation claimed on Schedule A and elsewhere on return	14b		
	c Subtract line 14b from line 14a			14c
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16
	17 Pension, profit-sharing, etc., plans			17
	18 Employee benefit programs			18
	19 Other deductions (attach schedule)			19
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19 ►			20	
21 Ordinary business income (loss). Subtract line 20 from line 6			21	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a		
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see page 17 of the instructions for additional taxes)			22c
	23 Payments: a 2004 estimated tax payments and amount applied from 2003 return	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c			23d
	24 Estimated tax penalty (see page 17 of instructions). Check if Form 2220 is attached. ► <input type="checkbox"/>			24
	25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed.			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount of line 26 you want: Credited to 2005 estimated tax ► Refunded ►			27	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory: (i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) ▶ _____

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information (see page 18 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ _____		
2 See pages 31 through 33 of the instructions and enter the: (a) Business activity ▶ _____ (b) Product or service ▶ _____		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ _____		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 19 of the instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	
2	Net rental real estate income (loss) (attach Form 8825)	2	
3a	Other gross rental income (loss) 3a		
b	Expenses from other rental activities (attach schedule) 3b		
c	Other net rental income (loss). Subtract line 3b from line 3a 3c		
4	Interest income 4		
5	Dividends: a Ordinary dividends 5a b Qualified dividends 5b		
6	Royalties 6		
7	Net short-term capital gain (loss) 7		
8a	Net long-term capital gain (loss) 8a		
b	Collectibles (28%) gain (loss) 8b		
c	Unrecaptured section 1250 gain (attach schedule) 8c		
9	Net section 1231 gain (loss) (attach Form 4797) 9		
10	Other income (loss) (attach schedule) 10		

Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Deductions	11 Section 179 deduction (<i>attach Form 4562</i>)	11	
	12a Contributions	12a	
	b Deductions related to portfolio income (<i>attach schedule</i>)	12b	
	c Investment interest expense	12c	
	d Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12d(2)	
	e Other deductions (<i>attach schedule</i>)	12e	
Credits & Credit Recapture	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (<i>attach Form 3468</i>)	13c	
	d Other rental real estate credits	13d	
	e Other rental credits	13e	
	f Credit for alcohol used as fuel (<i>attach Form 6478</i>)	13f	
	g Other credits and credit recapture (<i>attach schedule</i>)	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	<i>Foreign gross income sourced at corporate level:</i>		
	d Passive	14d	
	e Listed categories (<i>attach schedule</i>)	14e	
	f General limitation	14f	
	<i>Deductions allocated and apportioned at shareholder level:</i>		
	g Interest expense	14g	
	h Other	14h	
	<i>Deductions allocated and apportioned at corporate level to foreign source income:</i>		
	i Passive	14i	
	j Listed categories (<i>attach schedule</i>)	14j	
	k General limitation	14k	
	<i>Other information:</i>		
	l Foreign taxes paid	14l	
m Foreign taxes accrued	14m		
n Reduction in taxes available for credit (<i>attach schedule</i>)	14n		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions.	15e	
	f Other AMT items (<i>attach schedule</i>)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (<i>attach schedule</i>)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12e and lines 14l or 14m, whichever applies	17e	

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (<i>attach schedule</i>)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (<i>attach schedule</i>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (<i>attach schedule</i>)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return			
1	Net income (loss) per books	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):	a	Tax-exempt interest \$
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l or (14m) (itemize):	6	Deductions included on Schedule K, lines 1 through 12, and 14l or (14m), not charged against book income this year (itemize):
a	Depreciation \$	a	Depreciation \$
b	Travel and entertainment \$		
4	Add lines 1 through 3.	7	Add lines 5 and 6.
		8	Income (loss) (Schedule K, line 17e). Line 4 less line 7

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 29 of the instructions)			
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		



